CPSEs is taken by the concerned administrative Ministry/Department and management from time to time on case-to-case basis. Some restructuring measures include; Business and financial restructuring; Formation of joint ventures; Infusion of fresh funds; Technology upgradation; Modernisation; Manpower rationalization; etc. Fund requirement is based on the revival/restructuring package which is enterprise specific. However, information in this regard is not maintained centrally.

Purchase Preference Policy

2682. SHRI DIPANKAR MUKHERJEE:
SHRI CHITTABRATA MAJUMDAR:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether a recent Cabinet decision on Price Preference Policy (PPP) for products and services of CPSEs has been restricted to the value of Rs. 100 crore;

(b) if so, the impact of the same on BHEL; and

(c) how Government are compensating the social cost borne by PSUs like BHEL, after restricting PPP?

THE MINISTER OF STATE OF THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): (a)/so (c) There is no Price Preference Policy, but a Purchase Preference Policy (PPP) which has been extended with Certain modifications for a period of three years i.e. upto 31.3.2008. The PPP support has been extended to the contracts including civil works and turnkey contracts of the value of Rs. 5 crore and above but not exceeding Rs. 100 crore. The Ministry of Power has been exempted from the PPP subject to the condition that they will place certain orders upon BHEL on a negotiated basis price benchmarked through competitively bid projects,every year. Ministry of Power and Department of Heavy Industry will work out, at the beginning of the year, the number and value of the orders to be placed upon BHEL during the financial year.